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DONGYUE GROUP LIMITED

東岳集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 189)

INSIDE INFORMATION

This announcement is made by the board of directors (the “**Board**”) of Dongyue Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provision (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Shandong Dongyue Organosilicone Materials Co., Ltd. (山東東岳有機硅材料股份有限公司) (“**Dongyue Organosilicone**”), a non-wholly owned subsidiary of the Company listed on ChiNext of the Shenzhen Stock Exchange, was recently informed by its shareholder Cheung Shek Investment Limited (“**Cheung Shek**”) that Cheung Shek’s entire shareholding in Dongyue Organosilicone (which represents 7.5% of the total share capital of Dongyue Organosilicone) will be made available for public auction (the “**Auction**”) from 9 July 2021 to 10 July 2021 on an online judicial auction platform by the Beijing Fourth Intermediate People’s Court as a result of the enforcement of the liabilities of Cheung Shek and its majority shareholder Mr. Fu Kwan (as guarantors) to China Minsheng Bank Corp., Ltd. Beijing Branch (“**CMBC**”) (as creditor) in relation to a defaulted loan with a principal amount of RMB950 million owed by Macro-Link Holding Limited (“**Macro-Link Holding**”) to CMBC (the “**Default**”). Dongyue Organosilicone has published an announcement in respect of the Auction on the website of the Shenzhen Stock Exchange, further details of which may be found via www.szse.cn.

Based on information available to the Company, as at the date of this announcement, Macro-Link Holding is owned by Cheung Shek as to 93.4% and Macro-Link Holding (through its wholly-owned subsidiaries) holds approximately 29.20 of the total issued share capital of the Company.

As at the date of this announcement, the business and operations of the Group (including Dongyue Organosilicone) remain normal, and the Board is not aware of any material adverse impact on the operations or financial position of the Group as a result of the Auction and/or the Default. The Company will closely monitor the development of this matter and will make further announcement(s) as and when appropriate.

The Auction is still at the announcement stage and is subject to subsequent process including bidding, payment, court enforcement of statutory procedures and equity transfer and change etc. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Dongyue Group Limited
Zhang Jianhong
Chairman

The PRC, 10 June 2021

As at the date of this announcement, the directors of the Company are Mr. Zhang Jianhong, Mr. Fu Kwan, Mr. Wang Weidong, Mr. Zhang Zhefeng, Mr. Zhang Bishu and Mr. Zhang Jian as executive directors, and Mr. Ting Leung Huel, Stephen, Mr. Yang Xiaoyong and Mr. Ma Zhizhong as independent non-executive directors.